

AMENDED IN SENATE JULY 20, 2001

AMENDED IN SENATE MAY 25, 2001

CALIFORNIA LEGISLATURE—2001–02 SECOND EXTRAORDINARY SESSION

SENATE BILL

No. 41

Introduced by Senator Speier

May 17, 2001

An act to amend Section 739 of, *and to add Section 739.2 to*, the Public Utilities Code, relating to public utilities, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 41, as amended, Speier. Public Utilities Commission: gas and electricity: baseline quantities.

(1) The Public Utilities Act requires the commission to designate a baseline quantity, as defined, of gas and electricity which is necessary to supply a significant portion of the reasonable energy needs of the average residential customer. The act requires the commission, in establishing the baseline quantities, to take into account climatic and seasonal variations in consumption and the availability of gas service. The act requires the commission to review and revise baseline quantities, as prescribed.

The bill would require the commission *to establish a standard adjustment and require each electrical and gas corporation to also take into account adjust the baseline quantities for a residential customer whose household includes the presence of a dependent children under the age of 18 years in the household of a residential customer, regardless of the number of children pursuant to self-certification by*

~~the residential customer, and increase baseline quantities accordingly.~~
The bill would require each electrical and gas corporation to make the adjustments for a residential customer that so certifies, and to receive, process, and review the certification, and make the adjustments in the baseline quantities, in a timely manner.

A violation of the Public Utilities Act is a crime. This bill by requiring new duties under that act would change the definition of a crime and thus, impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(2) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 739 of the Public Utilities Code is~~
- 2 *SECTION 1. Section 739 of the Public Utilities Code is*
- 3 *amended to read:*
- 4 739. (a) The commission shall designate a baseline quantity
- 5 of gas and electricity which is necessary to supply a significant
- 6 portion of the reasonable energy needs of the average residential
- 7 customer. In estimating those quantities, the commission shall take
- 8 into account differentials in energy needs between customers
- 9 whose residential energy needs are currently supplied by
- 10 electricity alone or by both electricity and gas. The commission
- 11 shall develop a separate baseline quantity for all-electric
- 12 residential customers. For these purposes, “all-electric residential
- 13 customers” are residential customers having electrical service
- 14 only or whose space heating is provided by electricity, or both. The
- 15 commission shall also take into account differentials in energy use
- 16 by climatic zone and season.
- 17 (b) (1) The commission shall establish a standard limited
- 18 allowance which shall be in addition to the baseline quantity of gas
- 19 and electricity for residential customers dependent on life-support

1 equipment, including, but not limited to, emphysema and
2 pulmonary patients. A residential customer dependent on
3 life-support equipment shall be given a higher energy allocation
4 than the average residential customer.

5 (2) “Life-support equipment” means that equipment which
6 utilizes mechanical or artificial means to sustain, restore, or
7 supplant a vital function, or mechanical equipment which is relied
8 upon for mobility both within and outside of buildings.
9 “Life-support equipment,” as used in this subdivision, includes
10 all of the following: all types of respirators, iron lungs,
11 hemodialysis machines, suction machines, electric nerve
12 stimulators, pressure pads and pumps, aerosol tents, electrostatic
13 and ultrasonic nebulizers, compressors, IPPB machines, and
14 motorized wheelchairs.

15 (3) The limited additional allowance shall also be made
16 available to paraplegic and quadriplegic persons in consideration
17 of the increased heating and cooling needs of those persons.

18 (4) The limited additional allowance shall also be made
19 available to multiple sclerosis patients in consideration of the
20 increased heating and cooling needs of those persons.

21 (5) The limited additional allowance shall also be made
22 available to scleroderma patients in consideration of the increased
23 heating needs of those persons.

24 (6) The limited allowance shall also be made available to
25 persons who are being treated for a life-threatening illness or have
26 a compromised immune system, provided that a licensed
27 physician and surgeon or a person licensed pursuant to the
28 Osteopathic Initiative Act certifies in writing to the utility that the
29 additional heating or cooling allowance, or both, made available
30 pursuant to this subdivision is medically necessary to sustain the
31 life of the person or prevent deterioration of the person’s medical
32 condition.

33 (c) (1) The commission shall require that every electrical and
34 gas corporation file a schedule of rates and charges providing
35 baseline rates. The baseline rates shall apply to the first or lowest
36 block of an increasing block rate structure which shall be the
37 baseline quantity. In establishing these rates, the commission shall
38 avoid excessive rate increases for residential customers, and shall
39 establish an appropriate gradual differential between the rates for
40 the respective blocks of usage.

(2) In establishing residential electric and gas rates, including baseline rates, the commission shall ~~assure~~ *ensure* that the rates are sufficient to enable the electrical corporation or gas corporation to recover a just and reasonable amount of revenue from residential customers as a class, while observing the principle that electricity and gas services are necessities, for which a low affordable rate is desirable and while observing the principle that conservation is desirable in order to maintain an affordable bill.

(3) At least until December 31, 2003, the commission shall require that all charges for residential electric customers are volumetric, and shall prohibit any electrical corporation from imposing any charges on residential consumption that are independent of consumption, unless those charges are in place prior to the effective date of the act that added this paragraph.

(d) *In addition to other allowances and adjustments required by this section, the commission shall establish a standard adjustment and require each electrical and gas corporation to adjust the baseline quantities for a residential customer whose household includes the presence of a dependent child under the age of 18 years, regardless of the number of children.*

(e) As used in this section *the following terms have the following meanings:*

(1) “Baseline quantity” means a quantity of electricity or gas for residential customers to be established by the commission based on from 50 to 60 percent of average residential consumption of these commodities, except that, for residential gas customers and for all-electric residential customers, the baseline quantity shall be established at from 60 to 70 percent of average residential consumption during the winter heating season. In establishing the baseline quantities, the commission shall take into account climatic and seasonal variations in consumption and the availability of gas service. The commission shall review and revise baseline quantities as average consumption patterns change in order to maintain these ratios.

(2) “Residential customer” means those customers receiving electrical or gas service pursuant to a domestic rate schedule and excludes industrial, commercial, and every other category of customer.

~~(e)~~

(f) Wholesale electrical or gas purchases, and the rates charged therefor, are exempt from this section.

~~(f)~~

(g) Nothing contained in this section shall be construed to prohibit experimentation with alternative gas or electrical rate schedules for the purpose of achieving energy conservation.

SEC. 2. Section 739.2 is added to the Public Utilities Code, to read:

739.2. Each electrical and gas corporation shall make the adjustment required by the commission pursuant to subdivision (d) of Section 739 for a residential customer that self-certifies the presence of a child under the age of 18 years in the household. The electrical or gas corporation shall receive, process, and review a certification, and make any required adjustment in the baseline quantity, in a timely manner.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

~~amended to read:~~

~~739. (a) The commission shall designate a baseline quantity of gas and electricity which is necessary to supply a significant portion of the reasonable energy needs of the average residential customer. In estimating those quantities, the commission shall take into account differentials in energy needs between customers whose residential energy needs are currently supplied by electricity alone or by both electricity and gas. The commission shall develop a separate baseline quantity for all electric residential customers. For these purposes, "all electric residential customers" are residential customers having electrical service only or whose space heating is provided by electricity, or both. The commission shall also take into account differentials in energy use by climatic zone and season.~~

~~(b) (1) The commission shall establish a standard limited allowance which shall be in addition to the baseline quantity of gas~~

1 and electricity for residential customers dependent on life-support
2 equipment, including, but not limited to, emphysema and
3 pulmonary patients. A residential customer dependent on
4 life-support equipment shall be given a higher energy allocation
5 than the average residential customer.

6 (2) “Life-support equipment” means that equipment which
7 utilizes mechanical or artificial means to sustain, restore, or
8 supplant a vital function, or mechanical equipment which is relied
9 upon for mobility both within and outside of buildings.
10 “Life-support equipment,” as used in this subdivision, includes
11 all of the following: all types of respirators, iron lungs,
12 hemodialysis machines, suction machines, electric nerve
13 stimulators, pressure pads and pumps, aerosol tents, electrostatic
14 and ultrasonic nebulizers, compressors, IPPB machines, and
15 motorized wheelchairs.

16 (3) The limited additional allowance shall also be made
17 available to paraplegic and quadriplegic persons in consideration
18 of the increased heating and cooling needs of those persons.

19 (4) The limited additional allowance shall also be made
20 available to multiple sclerosis patients in consideration of the
21 increased heating and cooling needs of those persons.

22 (5) The limited additional allowance shall also be made
23 available to scleroderma patients in consideration of the increased
24 heating needs of those persons.

25 (6) The limited allowance shall also be made available to
26 persons who are being treated for a life-threatening illness or have
27 a compromised immune system, provided that a licensed
28 physician and surgeon or a person licensed pursuant to the
29 Osteopathic Initiative Act certifies in writing to the utility that the
30 additional heating or cooling allowance, or both, made available
31 pursuant to this subdivision is medically necessary to sustain the
32 life of the person or prevent deterioration of the person’s medical
33 condition.

34 (c) (1) The commission shall require that every electrical and
35 gas corporation file a schedule of rates and charges providing
36 baseline rates. The baseline rates shall apply to the first or lowest
37 block of an increasing block rate structure which shall be the
38 baseline quantity. In establishing these rates, the commission shall
39 avoid excessive rate increases for residential customers, and shall

1 ~~establish an appropriate gradual differential between the rates for~~
2 ~~the respective blocks of usage.~~

3 ~~(2) In establishing residential electric and gas rates, including~~
4 ~~baseline rates, the commission shall ensure that the rates are~~
5 ~~sufficient to enable the electrical corporation or gas corporation to~~
6 ~~recover a just and reasonable amount of revenue from residential~~
7 ~~customers as a class, while observing the principle that electricity~~
8 ~~and gas services are necessities, for which a low affordable rate is~~
9 ~~desirable.~~

10 ~~(d) As used in this section the following terms have the~~
11 ~~following meanings:~~

12 ~~(1) “Baseline quantity” means a quantity of electricity or gas~~
13 ~~for residential customers to be established by the commission~~
14 ~~based on from 50 to 60 percent of average residential consumption~~
15 ~~of these commodities, except that, for residential gas customers~~
16 ~~and for all electric residential customers, the baseline quantity~~
17 ~~shall be established at from 60 to 70 percent of average residential~~
18 ~~consumption during the winter heating season. In establishing the~~
19 ~~baseline quantities, the commission shall take into account~~
20 ~~climatic and seasonal variations in consumption and the~~
21 ~~availability of gas service. The commission shall review and revise~~
22 ~~baseline quantities as average consumption patterns change in~~
23 ~~order to maintain these ratios. The commission shall also take into~~
24 ~~account the presence of dependent children under the age of 18~~
25 ~~years in the household of a residential customer, pursuant to~~
26 ~~self-certification by the residential customer, and shall increase~~
27 ~~baseline quantities accordingly.~~

28 ~~(2) “Residential customer” means those customers receiving~~
29 ~~electrical or gas service pursuant to a domestic rate schedule and~~
30 ~~excludes industrial, commercial, and every other category of~~
31 ~~customer.~~

32 ~~(e) Wholesale electrical or gas purchases, and the rates charged~~
33 ~~therefor, are exempt from this section.~~

34 ~~(f) Nothing contained in this section shall be construed to~~
35 ~~prohibit experimentation with alternative gas or electrical rate~~
36 ~~schedules for the purpose of achieving energy conservation.~~

37 ~~SEC. 2.—~~

38 ~~SEC. 3. This act is an urgency statute necessary for the~~
39 ~~immediate preservation of the public peace, health, or safety~~

1 within the meaning of Article IV of the Constitution and shall go
2 into immediate effect. The facts constituting the necessity are:
3 In order to require the Public Utilities Commission, when
4 determining gas and electricity baseline quantities, to also take
5 into account the number of inhabitants located at the site of a
6 residential customer, and increase baseline quantities accordingly,
7 thereby preserving the public peace, health, and safety, it is
8 necessary for this act to take effect immediately.

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